

**Committee Name: Cabinet**

**Committee Date: 09/03/2022**

**Report Title: Adjustment to the 2021/22 and 2022/23 HRA capital programmes**

<b>Portfolio:</b>	Councillor Harris, Deputy leader and cabinet member for social housing Councillor Kendrick, Cabinet member for resources
<b>Report from:</b>	Executive director of community services Executive director of corporate and commercial services
<b>Wards:</b>	<b>All Wards</b>
<b>OPEN PUBLIC ITEM</b>	

### **Purpose**

To consider an adjustment to the 2021/22 and 2022/23 HRA capital programmes.

### **Recommendation:**

To:

1. Approve the virement within the 2021/22 HRA capital programme as set out in paragraph 6.
2. Approve an increase of £0.855m to the 2022/23 HRA capital programme to incorporate the BEIS social housing decarbonisation grant.

### **Policy Framework**

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets the Healthy Organisation and Great Neighbourhoods, Housing and Environment corporate priorities.

This report addresses “Improve the quality and safety of private sector housing”

## strategic action in the Corporate Plan

This report helps to meet the housing, regeneration and development objective of the COVID-19 Recovery Plan

### Report Details

#### HRA Disabled Adaptations 2021/22

1. The home improvement team took over the technical oversight of disabled adaptations from the Norfolk Property Services Norwich joint venture in May 2021.
2. Being a team dedicated to providing adaptations in all tenures, they have been able to redistribute their resources to where there is the most need, which has allowed the council to reduce a backlog of people awaiting adaptations to their homes.
3. It is anticipated that by the end of the financial year, around 250 adaptations will have been completed.
4. As a result of the increased level of work that has taken place, the current forecast outturn for 2021/22 is £1.527m, which is £0.4m higher than the original budget.
5. The current forecast outturn for window upgrades anticipates an underspend of £2.040m in 2021/22. The budget originally included provision for the upgrade of communal windows within tower blocks, however this work will form part of a revised programme of works in the future, for which a specific budget will be requested at that time.
6. Cabinet are asked to approve a virement to transfer £0.4m from the window upgrade budget to the disabled adaptation budget, as set out in the table below:

Project	Current Budget	Forecast Outturn	Forecast Variance	Proposed Virement	Revised Budget
5150 Windows	2,900	860	(2,040)	400	2,500
5190 Disabled Adaptations	1,127	1,527	400	(400)	1,527
<b>Total</b>	<b>4,027</b>	<b>2,387</b>	<b>(1,640)</b>	<b>0</b>	<b>4,027</b>

#### Social Housing Decarbonisation Fund 2022/23

7. Following a bid in Autumn 2021, the Department for Business, Energy & Industrial Strategy (BEIS) awarded £0.855m of funding to the council in February 2022, along with a sustainable warmth grant for private sector housing.
8. Combined with a £0.350m existing budget within the approved 2022/23 HRA capital programme, the total funding of £1.205m will enable 45 homes that are of “Wimpey no-fines” concrete-based construction, to benefit from solid

wall insulation which will enable their energy efficiency rating to be increased to an EPC C rating.

9. The 45 properties have been identified as some of the worst performing homes in terms of energy efficiency, which would benefit strongly from insulation work. The work should deliver energy bill savings in the region of £8,000 a year (across all homes) and save over 3,000 kWh in energy.
10. The conditions of the funding require all works to be complete by 30<sup>th</sup> April 2023 with any remaining funding returned to the awarding body.
11. On 22<sup>nd</sup> February 2022, Council approved to delegate to Cabinet, to include in the capital programme, additional capital schemes funded wholly by grant where it meets the Council's aims.
12. In order to enable the works to commence as soon as possible, Cabinet are asked to approve an increase of £0.855m to the 2022/23 HRA capital programme funded entirely from the Decarbonisation grant provided by BEIS.

## **Consultation**

13. Regular engagement will be undertaken with residents in the targeted areas before and throughout grant delivery in a variety of ways, compliant with the processes set out in the grant funding and in line with industry best practice. This will include, in the first instance, letters to potentially eligible households, followed by visits in the community. At any time residents will be able to indicate their interest (or lack of). Any data sharing will be guided by a Data Sharing Agreement.
14. Portfolio holders for relevant wards have been informed and will be briefed before any works begin

## **Implications**

### **Financial and Resources**

Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan and Budget.

### **HRA Disabled Adaptations 2021/22**

15. On 23<sup>rd</sup> February 2021, Council approved a Disabled Adaptation budget of £1.127m within the 2021/22 HRA capital programme.
16. The current forecast outturn is £1.527m in 2021/22 which is £0.4m higher than the existing budget.
17. The current forecast outturn for window upgrades anticipates an underspend of £2.040m for 2021/22. This underspend will not be included within any request to carry-forward underspent budget at the end of the 2021/22 financial year.

18. The proposed virement does not change the overall value of the HRA capital programme and therefore remains affordable within the 30-year HRA business plan.

#### Social Housing Decarbonisation Fund 2022/23

19. On 22<sup>nd</sup> February 2022, Council approved a Thermal Comfort budget of £0.350m within the 2022/23 HRA capital programme.

20. The addition of £0.855m to this budget will increase the overall available budget in 2022/23 to £1.205m.

21. As the additional budget is fully funded from the BEIS social housing decarbonisation fund it does not impact on the affordability demonstrated by the 30-year HRA business plan.

#### **Legal**

22. There are no direct legal implications arising from the report. A separate report will be presented to Cabinet in due course relating to the procurement of a contractor to deliver the social housing decarbonisation grant funded works.

#### **Statutory Considerations**

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and Diversity	No statutory considerations affected
Health, Social and Economic Impact	SHDF: This work will have a positive impact as the scheme is focused on improving energy efficiency in the city, particularly in low income housing and/or households identified to be in fuel poverty.  <u>Disabled Adaptations:</u> This work has had a positive impact, the work provides adaptations to those assessed as needing them to enable them to continue living independently in their own homes.
Crime and Disorder	Neutral
Children and Adults Safeguarding	Neutral
Environmental Impact	SHDF: This work will improve the fabric of some of the worst performing homes in Norwich, considerably reducing carbon emissions from them.

## Risk Management

Risk	Consequence	Controls Required
Issues with installation impacting residents	Loss of reputation to council  Possible remedial works required	All installers will be Trustmark registered  Regular inspections by council staff will take place
Works not installed by scheme deadline	Loss of reputation to council	Acceptance of grant allows us to start contracting work

## Other Options Considered

23. Do nothing: The funding has been applied for and approved, if we do not complete the works then it will be lost and the low-income homes will not benefit from the savings. This option is not recommended.

24. Delay approval of grant funding: Delaying approval of funding risks the delivery of works before the grant deadline and may lead to the grant being withdrawn. This option is not recommended.

## Reasons for the decision/recommendation

25. This approach is recommended so that the grant can be accepted in a timely manner.

## Background papers:

**Appendices:** None

## Contact Officer:

Name: Kevin Ayers, Home Improvement Manager

Telephone number: 01603 989192

Email address: kevinayers@norwich.gov.uk

Name: Rachel Sowerby, Affordable Warmth Officer

Telephone number: 01603 989578

Email address: rachelsowerby@norwich.gov.uk